

Abby Winthrop is single, under 65, and is a U.S. citizen. She earned \$21,000 as a night auditor in Pittsburgh. This is her only income. She owns 200 shares in Caldwell Corporation's mutual fund that invests in Canadian corporations. She received a dividend of \$620 from Caldwell Corporation which withheld and paid tax of \$93 to Canada on her dividend. Abby does not itemize deductions, so she will claim the standard deduction of \$4,850 from line 39 of her Form 1040. She has no other deductions. Complete the Categories of Income section and Part I of her Form 1116.

Click the box that reflects the correct type of income in the top portion of the form. Then, complete lines 1, 3, 6 and 7 of Part I.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

Identifying number as shown on page 1 of your tax return

Part I Taxable Income or Loss From Sources Outside the United States (for Category Checked Above)

		Foreign Country or U.S. Possession			Total
		A	B	C	(Add cols. A, B, and C.)
1	Enter the name of the foreign country or U.S. possession ▶				
1	Gross income from sources within country shown above and of the type checked above (see page 13 of the instructions):				
				
				1
Deductions and losses (Caution: See pages 13 and 14 of the instructions):					
2	Expenses definitely related to the income on line 1 (attach statement)				
3	Pro rata share of other deductions not definitely related :				
a	Certain itemized deductions or standard deduction (see instructions)				
b	Other deductions (attach statement)				
c	Add lines 3a and 3b				
d	Gross foreign source income (see instructions)				
e	Gross income from all sources (see instructions)				
f	Divide line 3d by line 3e (see instructions)				
g	Multiply line 3c by line 3f.				
4	Pro rata share of interest expense (see instructions):				
a	Home mortgage interest (use worksheet on page 13 of the instructions)				
b	Other interest expense				
5	Losses from foreign sources				
6	Add lines 2, 3g, 4a, 4b, and 5				6
7	Subtract line 6 from line 1. Enter the result here and on line 14, page 2 ▶				7

Part II Foreign Taxes Paid or Accrued (see page 14 of the instructions)[illegible]

8 Add lines A through C, column (x). Enter the total here and on line 9, page 2 ►